



CASE STUDY



FOODSERVICE DISTRIBUTOR LIFTS MARGIN 134 BASIS POINTS WITH PRICE IQ®

FROM SCATTERED TO SCIENTIFIC PRICING

For years, a global foodservice distributor with more than 50,000 customers fostered a pricing culture that was margin-based, lacked guidelines, and was low on price discipline.

While the company's sales reps were very competent and high-performing, they lacked consistent pricing guidance. They were simply given margin targets and plenty of leeway to develop prices on the fly. While some reps lowered prices to move as many units as possible, others increased prices to get more margin. With no support structure for making pricing decisions in the field, the result was extreme price scatter.

The company realized there was a critical need to deliver science-based price guidance. The Senior Director of Pricing Strategy engaged Zilliant due to its strong track record in both AI and rules-based solutions and experience working with other foodservice distributors. Eventually, the distributor implemented Zilliant's market-leading price optimization software, **Price IQ®**.

zilliant PRICE IQ

How the Distributor Uses Price IQ®

- ☒ Price Guidance Types
- ☒ Price Guidance Paths
- ☒ Highly Specific Metrics
- ☒ Frequent Touchpoints with Sales

DRIVING ADOPTION DURING A PANDEMIC

During the initial Price IQ® rollout, a major challenge arose: a global pandemic. To drive Price IQ® adoption among the seasoned sales team during this unpredictable time, the distributor launched a Zilliant Customer Success-aided change management effort. First, the company designed new sales objectives that were informed by and aligned to Price IQ®. Then, a robust enablement program was implemented that focused on integrating Price IQ® into sales reps' day-to-day activities through educational content and live training sessions.

"Success begins with change management."

– Senior Director of Pricing Strategy, Foodservice Distributor

Foodservice Distributor Lifts Margin 134 Basis Points with Price IQ®



The distributor also held more advanced training workshops for some teams or individuals. The goal of these workshops was to strengthen sales foundations, which included reviewing organizational revenue goals, analyzing and making recommendations on customer portfolios, and highlighting the importance of cross-functional collaboration. The change management rigor ensured that the science was correctly applied to meet the demands of an unprecedented disruption.

RESULTS OF A ZILLIANT-POWERED PRICING AND SALES ENABLEMENT JOURNEY

Price IQ® played a role beyond price optimization – it helped shape the distributor’s entire pricing strategy. The solution allowed the company to immediately implement a framework for its pricing structure and provided strategic focus during the chaos of the pandemic. Additionally, Price IQ® empowered sales reps with visual analytics and enabled analysts with easily downloadable data sets.

In the first 15 months after the Price IQ® go-live, the distributor saw the following results:

- ✓ 50% Fewer Below Floor Transactions
- ✓ 80%+ Adoption
- ✓ Seller Margin Lift Increased by 134 Basis Points
- ✓ ROI Greater than 20X and Still Climbing

“Because Price IQ® helped us manage our price scatter, we were able to grow profitability during a time when a lot of our competitors were struggling just to hold their margin levels.”

– Senior Director of Pricing Strategy, Foodservice Distributor

For more information, visit www.zilliant.com